

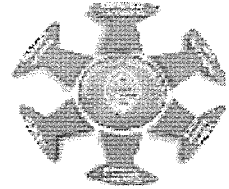


**Edward J.B. Calvo**  
Governor  
**Raymond F. Tenorio**  
Lieutenant Governor

GOVERNMENT OF GUÅHAN  
(GUBETNAMENTON GUÅHAN)

DEPARTMENT OF ADMINISTRATION  
(DIPATTAMENTON ATMENESTRASION)

**HUMAN RESOURCES DIVISION**  
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**Benita A. Manglona**  
Director  
**Anthony C. Blaz**  
Deputy Director

**JUN 06 2013**

**HRD NO.: OG-13-548**

**MEMORANDUM**

To: Director, Department of Administration  
From: Manager, Human Resources Division  
Subject: Proposed Amendment  
**RE: Holiday Pay**

*Buenas yan Håfa Adai!* Submitted for approval is the attached proposal to amend Rule 7.700 B of the current Personnel Rules and Regulations pertaining to compensation for holiday pay. The current rule states the following:

“Employees who are required, because of an emergency or other reasons, to work on holidays (or their equivalent day) shall be paid at a rate equivalent to double their hourly rate of pay exclusive of any additional pay, except as otherwise provided by statute”.

The amendment of this Rule is relative to promoting fiscal responsibility within the government of Guam. For so many years the government has been providing the benefit of double the hourly rate of pay for employees required to work on a holiday. The government is faced with liabilities such as the responsibility to pay tax refunds timely and other obligated responsibilities. With that, fiduciary measures must be implemented to change the way the government operates. One such measure is the amendment of holiday pay. This pay in no way is being suspended but reduced. Reducing and not entirely eliminating this benefit although only a fraction of what the government has to change is a step in the right direction in order to meet other obligations of the government of Guam. Taxpayers can no longer afford to compensate public employees for holiday pay at the current rate and has found that the proposed amendment at one and ½ times is consistent with federal and local law.

An assessment regarding the change of this employee benefit was considered and the government will save about \$770k as opposed to previous cost of \$1.5m this past year. There are no risks involved as a result of this change. Employees whom normally receive holiday pay will still be compensated for any work performed on a holiday.

The financial impact will be that the government will realize a reduction in the cost to payout this employee benefit. The possible adverse impact on jobs may be that autonomous agencies, instrumentalities, and public corporations of the government may not have to amend their rules on holiday pay consistent with the Department of Administration. As a result, line agency employees under the General Fund may see this as unfair. Despite the applicability, this proposed amendment is necessary in

promoting fiscal responsibility without sacrificing government services.

There is no impact on the potential increase or decrease of cost of living, or any increase or decrease in the price of availability of any good or service as a result of this proposed amendment including any increase or decrease in the cost of doing business as an enterprise or industry on Guam, or any increase or decrease in doing business in general, which is attributable to the proposed rule or regulation.

The beneficial economic impact as a result of the proposed amendment is the decreased cost of funding this government benefit of employees made to work on government holidays without sacrifice to basic government services.

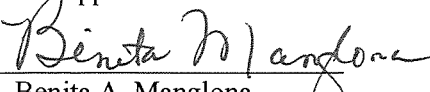
The applicability of this proposed amendment to departments and agencies will be to those funded by the General Fund which includes the line agencies and some semi to autonomous agencies and as governed by the Department of Administration's Personnel Rules and Regulations. Following are the current government of Guam Holidays:

1. New Year's Day - January 1
2. Martin Luther King, Jr. - 3<sup>rd</sup> Monday in Jan
3. Memorial Day - last Monday in May
4. Independence Day - July 4
5. Liberation Day - July 21
6. Labor Day - first Monday in September
7. All Soul's Day - November 2
8. Veteran's Day - November 11
9. Thanksgiving - 4<sup>th</sup> Thursday in November
10. Our Lady of Camarin Day - December 8
11. Christmas - December 25

A public hearing is being planned for July 30, 2013, with a notice to the public to be made on July 17, 2013 in either the Pacific Daily News or the Marianas Variety. Should you have any questions regarding this matter, please call on Ms. Rose A. N. Cruz, Assistant Human Resources Manager or myself.  
*Dangkolo na Agradesimiento!*

  
SHANE G. L. NGATA, Acting

/T Approval  
// Disapproval

  
Benita A. Manglona

Date: 7/9/13